

12-19-19 FINANCE AND AUDIT COMMITTEE APPROPRIATION TRANSFERS
 E INTER- DEPARTMENTAL

Action Required

Finance and Audit Committee
 Majority County Board

WHEREAS, department requests for transfers between separate departmental accounts have been received by the Department of Administration, Performance, Strategy, and Budget (PSB), and the Director finds that the best interests of Milwaukee County will be served by allowance of such transfers;

THEREFORE, BE IT RESOLVED, that the Director, Department of Administration, is hereby authorized to make the following transfers in the 2019 appropriations of the respective listed departments:

1)	<u>From</u>	<u>To</u>
<u>1900 – Non- Departmental Revenue</u>		
1850 – Earnings on Investments (Budget)	\$140,000	
<u>3090 – Treasurer's Office</u>		
6027 – Bank Earned Interest Credit		\$140,000

The Milwaukee County Treasurer is requesting a fund transfer of \$140,000 from the Earnings on Investments (Budget) account to the Bank Earned Interest Credit account.

The County Treasurer made a change with US Bank regarding how bank fees and interest on overnight funds are applied. The treasurer and US Bank had previously agreed that no bank fees would be charged to the County and in return no interest would be earned on overnight funds held by the bank. Due to low interest rates at the time, the policy was beneficial to the County and to the bank, since the earnings on investments held overnight would not exceed the cost of the bank fees. Near the end of 2018, market interest rates began to rise, and thus the County saw a benefit to reversal of this policy. In other words, the County would now pay bank fees, and in return the County would earn interest on bank funds held overnight.

The 2019 budget was adopted with the original policy of no bank fees and no interest earnings on funds held by the bank overnight. There was an account 6025 Bank Fees that held the budget for bank fee charges of \$150,000. There was a contra account 6027 - Bank Earned Interest Credit for \$140,000. The Treasurer office is requesting to eliminate the budget for the contra account 6027. The interest earnings on the bank overnight funds are currently being credited to the Investment Earnings account in the non-departmental budget in Org Unit 1992. The reduction of the contra account and the increase in earnings of the Investment Earnings will provide for a correct accounting of the current policy of paying banking fees and earning interest on bank overnight funds.

This fund transfer has no tax levy impact.

TRANSFERS SIGNED BY THE COUNTY EXECUTIVE NOVEMBER 12, 2019.